Non-payment of dues affecting PDS system in the capital

900. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FOOD be pleased to state:

(a whether the tussle between the Department of Civil Supplies and Food Corporation of India on the issue of non-payment of certain dues is going to affect the PDS system in the National Capital;

(b) if so, the facts and details thereof;

(c) whether the Central Government is not properly supplying items to the State Government for distribution through Public Distribution System; and

(d) if so, the corrective measures Government propose to take to streamline the PDS system in the capital?

THE MINISTER OF FOOD (SHRI AJIT SINGH): (a) and (b) No, Sir. Though there are some disputed claims which are yet to be settled between the Civil Supplies Department (Government of National Capital Territory of Delhi) and the Food Corporation of India, these are not going to affect the Public Distribution System in Delhi.

(c) No, Sir. Central Government is properly supplying Public Distribution System articles to all State Governments and Union Territory Administrations.

(d) Does not arise.

Losses of FCI

901. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of FOOD be pleased to state:

(a) whether Government's attention has been drawn to the news-item which appeared in the 'Observer' of 18th July, 1994 regarding operations of the Food Corporation of India (FCI);

(b) the losses FCI has been incurring for the last three years, total as well as the major cost-centre wise, and the steps taken to minimise the same;

(c) the extent of damage of foodgrains during the last three years, separately on account of lack of storage capacity, transportation, pilferage and the storage losses; and

(d) annual storage and carrying costs (separately) per tonne of rice and wheat during the last three years and the steps taken to bring these down?

THE MINISTER OF FOOD (SHRI AJIT SINGH): (a) and (b) Yes, Sir. The details of the total transit and storage losses incurred by Food Corporation of India (FCI) during the last three years are as under:—

Qty. in lekh MT

Value in Rs. Crores

Year	Transit Loss		Storage Loss		Total Loss	
	Quantity	Value	Quantity	Value	Quantity	Value
1991-92	4.12	146.53	1.78	73.17	5.90	219.70
1992-93	3.48	149.73	1.54	73.60	5.02	223.33
1993-94	2.61	126.26	1.56	87.94	4.17	214.20

The region-wise details of transit and storage losses in FCI during the last three years namely 1991-92, 1992-93 and 1993-94 are at annexure (*See* Appendix—173, Annexure No. 15)

FCI has taken various measures to reduce the losses. These include:

(1) Strict enforcement of quality specifications during procurement of foodgrains.

(2) Installation of weighbridges in godowns.

(3) Augmentation of covered storage capacity.

(4) Encouraging machine stitching of the bags.

(5) Installation of in-action wagon weighbridges.

(6) Reduction in the quantum of foodgrains filled in each bag.

(7) Administrative measures such as tightening of security at depots, intersifying surprise checks, ensuring regular stock verifications etc.

(8) Introduction of 50 Kg. packaging of foodgrains.

(c) FCI does not maintain separate accounts of damages caused to Foodgrains due to lack of storage capacity transportation etc. A statement showing the details of foodgrains damaged in FCI during 1991-92, 1992-93 and 1993-94 is at annexure (*See* Appendix 173, Annexure No. 16). The details of losses suffered by FCI on accounts of theft/pilferage during 1991-92, 1992-93 & 1993—94 are at annexure No. (*See* Appendix 173, Annexure No. 16).

(d) The storage and carrying costs per quintal of rice and wheat during the last three years is as under:

Classification of cost	Year 1991-92 Rs/Qtl.	1992-93 Rs/Qtl.	1993-94 Rs/Q tl.
Interest charges	34.28	36.70	62.97
Storage charges	24.27	40.13	24 32
Handling expenditure	7.23	8.51	8.02
Freight	..	..	6.99
Transit shortage	..	..	1.13
Storage shortages	6.17	7.66	5.52
Admn. charges	5.60	10.65	8.21
TOTAL	77.55	103.65	117.16

Nearly 80 percent of the total cost of the Corporation which are more or less beyond its control comprise of the material cost of foodgrains interest payable to banks, rail freight, transportation cost, purchase tax, mandi levies and cost of gunnies. The remaining expenses which are controllable relate to labour handling, storage and shortages. FCI is making all efforts to achieve all round reduction in costs. These include implementaion of the recommendations of the Bureau of Industrial Costs and Prices on cost reduction, measures to reduce transit and storage shortages, implementation of Annual Cost Reduction Plans with a view to reducing administrative overheads etc. The Corporation is also signing Memorandum of Understanding with the Government of India every year for optimising its operational and cost efficiency.

Programmes operated by FCI

902. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of FOOD be pleased to state:

(a) whether it is a fact that apart from the minimum price support operations, the Food Corporation of India (FCI) is also engaged in the market intervention or any other similar programme;

(b) if so, the details of purchases and sales under each of the two programmes during each of the last three years alongwith the quantities and average prices of purchases and sales;

(c) whether it is also a fact that the Food Corporation of India has made purchase of foodgrains at prices higher than the Minimum Support Price, if so, the reasons therefor particularly when the stocks of foodgrains with the FCI have been substantial; and

(d) the average procurement prices and distribution costs of rice and wheat during the last three years?

THE MINISTER OF FOOD (SHRI AJIT SINGH): (a) Apart from procurement of foodgrains under price support Scheme at Minimum Support Prices for Central Pool, Food Corporation of India undertakes open market sales operations as a part of market intervention.

(b) Statements showing the support/procurement prices of wheat, paddy and quantities procured under price support scheme and prices adopted for sales of wheat and rice under Open Market Sales Scheme, are attached (Annexure. [*See* Appendix 173, Annexure os. 17]

Quantities of wheat and rice sold under Open Market Sales Scheme during the years 1993-94 and 1994-95 are as under:—

In lakh tonnes

Year	Wheat	Rice
1993-94 . .	28.56	0.17
1994-95 . . (upto February 1995	41.47	3.46

(c) No Sir. Foodgrains are procured by FCI for Central Pool at Minimum Support Prices fixed by the Government.

(d) The Minimum Support Prices for paddy and wheat are given in Annexure. Rice is also procured under the levy system. The statewise prices of levy rice are given in Annexure. [*See* Appendix 173, Annexure 18].